ABN AMRO TURBOS

Leveraged active investing

ABN·AMRO

English

The ABN AMRO Turbo.

The ABN AMRO Bank N.V. (“ABN AMRO”) Turbo certificate (“Turbo”) is a derivative investment product that tracks an underlying in a linear manner. However, the amount needed to invest in a Turbo certificate to give the same participation rate in the underlying as a direct investment in the underlying is considerably less. This is because part of the investment is being financed by the Issuer. The resulting leverage effect causes a higher percentage gain or loss in Turbos than in a direct investment in the underlying.

Investing in Turbos provides an opportunity to speculate on either price increases or price decreases of an underlying. Turbos Long enable the investor to profit from rising markets by tracking the underlying. Turbos Short enable the investor to profit from declining markets by tracking the underlying in an inverse manner.

Apart from being used for speculative purposes, Turbos can also serve as a hedge instrument for existing portfolios. In addition, Turbos give investors access to a wide range of asset classes that may, under normal circumstances, not be directly available to private investors, such as certain commodities.

Available asset classes.

ABN AMRO Turbos give investors the opportunity to invest in numerous underlyings across various asset classes, including single stocks, indices, commodities, currencies and bonds. A complete overview of available asset classes can be found on www.abnamromarkets.com/turbo.

Turbo characteristics.

A Turbo is a derivative investment product through which an investor can benefit from leveraged participation in the price movement of an underlying. Turbos allow investors to receive the full increase or decrease of an underlying, whilst investing only a fraction of its value. The remaining amount is provided by the bank. This creates leverage. The leverage rate indicates how much faster the value of a Turbo moves vis-à-vis the underlying.

In the case of a Turbo Long, investors are indirectly charged interest, also called financing costs. For a Turbo Short however, investors generally receive interest, also referred to as financing revenues. The level over which the financing costs and financing revenues are calculated is commonly referred as the financing level. The financing level forms an important component in both the leverage rate and value of a Turbo.

Turbos are open-end investment instruments and, as such, do not have a maturity date. However, each Turbo has a stop-loss level. The stop-loss level prevents the value of a Turbo from becoming negative and limits the maximum loss for an investor to the initial amount invested. When the stop-loss level has been hit or breached, the Turbo will be terminated and the position in the Turbo will be liquidated. In most cases, investors will receive a salvage value.

A Turbo investment.

Turbos are considered high-risk investment instruments and are, as such, only suitable for experienced and active investors with a high risk tolerance. All potential investors must determine the suitability of the product in light of their own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of an investment in Turbos and the impact that this investment will have on the overall investment portfolio.

This document has been translated from Dutch and is for information purposes only. It does not constitute an offering or invitation to invest in Turbos. No rights can be derived from this English translation as it is provided to investors for convenience only. Please refer to the base prospectus, supplements to the base prospectus and final terms for a complete description of characteristics and risks of ABN AMRO Turbos. These documents are available at www.abnamromarkets.com/turbo.

The value of a Turbo.

In most cases, the value of a Turbo is equal to the difference between the price of the underlying and the financing level of the Turbo:

Value Turbo Long = Price of underlying – Financing level

Value Turbo Short = Financing level – Price of underlying

For example, the value of a Turbo Long with a financing level of EUR 10 and an underlying price of EUR 15 is equal to EUR 5 (EUR 15 - EUR 10).

In certain cases, investors should also take the ratio into consideration when calculating the value of a Turbo. Some underlyings are expressed in thousands (such as the Dow Jones Index or the Nikkei 225 Index), whilst others may be expressed in tenths (such as the EUR/USD exchange rate). To ensure accessibility of Turbos to such underlyings, a ratio may be applied to the value of the Turbo. The ratio indicates how many Turbos an investor would normally have to acquire in order to be fully invested in the underlying. For example, the Dow Jones Turbo has a ratio of 100. This means that one Turbo is equal to an investment of one-hundredth in the Dow Jones Index. Therefore, the value of a Turbo on the Dow Jones Index is one-hundredth of the difference between the Dow Jones Index and the financing level.

ABN AMRO Turbos are listed in euros. Some underlyings may, however, be listed in another currency. To calculate the value for Turbos on such underlyings, investors should take the foreign exchange rate into consideration. An increase in the value of the underlying currency versus the euro can have a positive effect on the value of the Turbo. On the other hand, a decrease in the value of the underlying currency versus the euro can have a negative effect on the value of the Turbo.

When the ratio and exchange rate are taken into consideration, the value of a Turbo can be calculated as follows:

$$\textbf{Value Turbo Long} = \frac{\text{(Price of underlying – Financing level)}}{\text{(Ratio x Exchange rate)}}$$

$$\textbf{Value Turbo Short} = \frac{\text{(Financing level – Price of underlying)}}{\text{(Ratio x Exchange rate)}}$$

For example, the Dow Jones Index quotes in thousands of dollars. Investors should therefore take the ratio and exchange rate into consideration when calculating the value of a Turbo on the Dow Jones Index. The ratio for a Turbo on the Dow Jones Index is set at 100. If the Index currently quotes at 11,000 and the EUR/USD quotes at 1.25, the value of a Turbo Long with a financing level of 10,000 will be equal to EUR 8 [(11,000 - 10,000) / (100 x 1.25)].

Common Turbo Ratios

Underlying	Ratio
EUR/USD	0.01
EUR/GBP	0.01
AEX Index	10
Dow Jones Industrial Index	100
Philips	1
Google	10
Brent	1

Figure 1. Overview of common Turbo Ratios. More information about the ratio for a specific underlying can be found on www.abnamromarkets.com/turbo.

The examples are based on assumptions and have been included for illustration purposes only. These examples are not representative of future results or returns and no rights can be derived therefrom.

Leverage effect.

The leverage effect causes the value of a Turbo to fluctuate at a faster rate than the value of the underlying. This is an important characteristic of Turbos. The leverage rate indicates how much faster this movement takes place. The higher the leverage rate, the greater the change in response to a movement in the underlying. For example, should an investor acquire a Turbo Long with a ratio of 1 and a leverage rate of 5, the value of that Turbo will change by 5% for every 1% movement in the value of the underlying. This implies that an increase of 3% in the value of the underlying will result in a 15% increase in the value of the Turbo Long. However, the leverage effect works both ways: a decrease of 3% in the value of the underlying will result in a 15% decrease in the value of the Turbo Long. For a Turbo Short, the leverage effect works inversely. A Turbo Short with a ratio of 1 and a leverage rate of 5 will increase by 5% for every 1% decrease in the value of the underlying. As such, a decrease of 3% in the value of the underlying will result in a 15% increase in the value of the Turbo Short, whereas a 3% increase in the value of the underlying will result in a 15% decrease in the value of the Turbo Short.

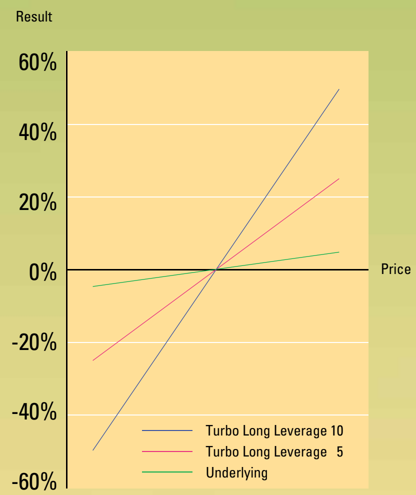

Figure 2. Example leverage effect of two fictional Turbos Long with a leverage rate of 5 and 10 vis-à-vis the underlying.

Each Turbo has its own leverage rate. The leverage rate depends on the price of the underlying at the time of purchase (reference price) and on the financing level of the Turbo:

$$\textbf{Leverage rate Turbo Long} = \frac{\text{Reference price of underlying}}{(\text{Reference price of underlying} - \text{Financing level})}$$

$$\textbf{Leverage rate Turbo Short} = \frac{\text{Reference price of underlying}}{(\text{Financing level} - \text{Reference price of underlying})}$$

When a Turbo Long has a financing level of EUR 10 and the reference price of an underlying is listed at EUR 15, the leverage rate of the Turbo Long will be equal to 3 [EUR 15 / (EUR 15 – EUR 10)].

Because the reference price of an underlying changes continuously, the leverage rate of a Turbo can only be set when it is acquired. Once the Turbo has been acquired, the leverage rate will remain constant for the investment period, assuming a constant financing level.

The value of a Turbo Long with a financing level of EUR 10 and an underlying value of EUR 15 is equal to EUR 5. The leverage rate for this Turbo Long is equal to 3. Should the value of the underlying increase by 20% to EUR 18, the value of the Turbo Long will simultaneously increase by 60% to EUR 8 (EUR 18 – EUR 10). This is equal to a threefold increase in the value of the underlying. Please note, that the reference price of the underlying remains EUR 15. As such, the leverage rate of the Turbo will remain 3 and will not change if the value of the underlying increases.

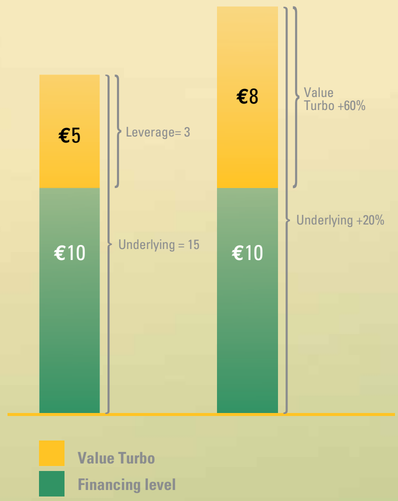

Figure 3. Example leverage effect of a fictional Turbo Long with a leverage rate of 3.

Financing level.

The leverage effect is created because part of the investment in the underlying is being financed by ABN AMRO.

Turbos Long enable the investor to profit from rising markets by tracking the underlying. For a Turbo Long, ABN AMRO will finance a part of the investment in the underlying. Investors are indirectly charged interest over the amount financed by ABN AMRO, which is also referred to as financing costs.

Turbos Short enable the investor to profit from declining markets by tracking the underlying in an inverse manner. For a Turbo Short, the bank will assume a short position in the underlying. To cover the risks of this short position, investors are required to deposit a margin equal to the value of the Turbo at the moment of acquisition. Investors will generally receive interest over the sum of short position and the value of the Turbo, also known as financing revenues.

The term financing level is used to identify the level over which the financing costs for the Turbo Long and the financing revenues for the Turbo Short are calculated. For a Turbo Long, the initial financing level is equal to the amount financed by the bank. For a Turbo Short, the initial financing level is equal to the sum of the value of the Turbo and the short position assumed by the bank.

The financing level forms an important component in the value a Turbo and any changes in that level can cause changes in a Turbo's value. For example: an increased financing level can lead to a lower value for a Turbo Long whilst having an increasing effect on the value of a Turbo Short, assuming a stable value of the underlying.

The value of a Turbo Long with a financing level of EUR 10 and an underlying value of EUR 15 is equal to EUR 5. An increase of EUR 2 in the financing level will lead to a simultaneous decrease of EUR 2 in the value of the Turbo, assuming that the value of the underlying remains stable at EUR 15. The Turbo Long is subsequently worth EUR 3 (EUR 15 – EUR 12).

The following factors can change the financing level of an acquired Turbo:

Financing costs and financing revenues.

Investors are charged interest over the financing level of a Turbo Long, also referred to as financing costs. These costs are charged by increasing the financing level of the Turbo Long on a daily basis. As a result, assuming unchanging market circumstances, the value of a Turbo Long will steadily decrease.

When investors acquire a Turbo Short, ABN AMRO will assume a short position in the underlying. At the same time, the investor is requested to deposit a margin equal to the value of the Turbo to cover the risks of the short position. Turbo Short investors generally receive interest over the sum of the value of the Turbo and the short position, also known as financing revenues. These revenues are remunerated to the investor by increasing the financing level with these revenues on a daily basis. Under equal market circumstances, this will result in an increase in the value of the Turbo Short.

Figure 4. Example of an increase in the financing level on the value of a fictional Turbo Long.

The effect of dividends.

Some underlyings issue dividends. Dividend payments will, under equal market circumstances, lead to a proportional decrease in the price of the underlying. In order to keep the value of the Turbo dividend-neutral, the financing level of the affected Turbos will be adjusted by the net dividend before the opening of the exchange on the ex-dividend date. For Turbos on Indices, the subtraction is done by the net amount, corrected for the weighting of the dividend-paying company in the Index.

NOTE: Market conditions prevailing at the time of the dividend payment may cause the price of the underlying instrument to remain flat or rise. This will have a positive effect on the value of a Turbo Long and a negative effect on the value of a Turbo Short.

For example, suppose you hold a Turbo Long with a financing level of EUR 10. The underlying of the Turbo is listed at EUR 15 and pays out a net dividend of EUR 1. To keep the value of the Turbo dividend-neutral, the financing level of the Turbo will be adjusted downwards by EUR 1 before the opening of the exchange on the ex-dividend date:

	Underlying	Financing level	Value Turbo
Pre-dividend	15	10	5
Ex-dividend	14	9	5

The effect of futures.

Some Turbos are issued with a futures contract as underlying. Examples include Turbos on certain commodities and Turbos on bonds. Futures contracts are standardised contracts between two parties to buy or sell a specified quantity of a specified asset at a specified future date at a price agreed today. The price of these Turbos is therefore based on a future price, whereas Turbos that do not have a futures contract as underlying are based on the spot price, the price for direct settlement of the underlying.

Normally there is a close correlation between the price movement of the underlying of the futures contract on the spot market and prices quoted on the futures contract on the corresponding futures markets. However, futures contracts are generally traded at a discount or premium to the spot price of the underlying of the futures contract. Contango is a situation in which the future price exceeds the spot price, often due to the cost of storing and insuring the underlying. The opposite of contango is backwardation. Backwardation is a market condition in which a futures price is lower in the distant delivery months than in the near delivery months. This can occur when the convenience yield is higher than the prevailing risk-free rate. Furthermore, depending on the relevant underlying, there can be significant differences in the liquidity of the futures and the spot markets. As expiration of the futures contract approaches, the future price normally moves towards the spot price.

Futures have an expiration date (strike date) on which settlement of the underlying contract is required through either physical delivery or cash settlement. To prevent settlement of the underlying and to ensure continuation of the Turbo, futures contracts are rolled prior to expiration by selling the expiring contract and acquiring the succeeding (most liquid) contract.

Due to potential price differences between futures with different strike dates, it is possible that the financing level and the stop-loss level of a Turbo on a future will be adjusted after the contract has been rolled. Whether this adjustment will be positive or negative depends on the future curve (contango or backwardation) and whether the investor anticipates a price increase (with a Turbo Long) or a price decrease (with a Turbo Short).

For example, suppose you hold a Turbo Long with a financing level of EUR 10 and an underlying futures contract of EUR 15. To ensure continuation of the futures contract and to avoid settlement of the underlying, the contract will be rolled prior to expiration to the succeeding most liquid contract. The new contract has a price of EUR 16. The price difference of EUR 1 will be added to the financing level. By doing so, rolling of the futures contract will in principle not affect the value of the Turbo.

	Underlying	Financing level	Value Turbo
Expiring future contract	15	10	5
New future contract	16	11	5

More information about the financing level for each Turbo can be found on www.abnamromarkets.com/turbo.

Stop-loss level.

Turbos do not have a predetermined expiration date. However, each Turbo has a stop-loss level which, when hit or breached, results in termination of the Turbo. The stop-loss level prevents the value of a Turbo from becoming negative and limits the maximum loss for an investor to the initial amount invested. As soon as the stop-loss level is hit or breached, the Turbo will be terminated and taken off the exchange. The position in the Turbo will subsequently be liquidated. Depending on the average price at which the position in the Turbo is liquidated, investors will receive a salvage value. In the most negative scenario, the salvage value is zero and the investor may lose the entire investment.

For a Turbo Long, the stop-loss level is set slightly higher than the financing level. The stop-loss level of a Turbo Short is set slightly lower than the financing level.

The stop-loss level for each Turbo is adjusted monthly to accommodate for changes in the financing level. For Turbos on single stock and Indices, the stop-loss level will also be adjusted before the opening of the exchange on ex-dividend dates. Finally, the stop-loss level for Turbos on futures will be adjusted as corrections take place in the financing level when future contracts are rolled.

ABN AMRO Turbos are listed on Euronext Amsterdam by NYSE Euronext. Some underlyings are not traded on Euronext Amsterdam, but on exchanges in different time zones. This means that Turbos on these underlyings can also reach the stop-loss level outside the exchange hours of Euronext Amsterdam. For Turbos on commodities and bonds, these hours are limited to between 09:05 and 20:00 Central European Time.

Salvage value.

When the price of the underlying has hit or breached the stop-loss level, the position in the Turbo will be liquidated within a maximum of 48 hours. Depending on the liquidity of the underlying and the market situation, the liquidation of the position in the Turbo may occur at different times and against different prices. Investors will receive a salvage value should the average value of these transactions exceed the financing level. Any negative salvage values are settled at zero for the investor. The maximum loss is thereby limited to the investor's initial investment. Any loss greater than the initial investment will be at the expense of ABN AMRO.

You can find the salvage value of an unwound Turbo on www.abnamromarkets.com/turbo. After the position has been unwound, payment of any salvage value will automatically be processed and will generally be settled within four to five business days after the unwinding. If the Turbo transaction has been executed via an ABN AMRO investment account, the salvage value will usually be available the next day.

Scenario analysis.

To further clarify the mechanics of a Turbo, the following section will present a scenario analysis of a fictional Turbo Long on the Dow Jones Index. In this analysis, the following formula will be applied to calculate the value of the Turbo:

$$\text{Value Turbo Long} = \frac{(\text{Price of underlying} - \text{Financing level})}{(\text{Ratio x Exchange rate})}$$

Assumed:

Price of underlying	**11,000 points**
Financing level	**10,000 points**
Stop-loss level	**10,200 points**
EUR/USD exchange rate	**1.25**
Ratio	**100**
Value Turbo Long	**EUR 8**
Leverage rate Turbo Long	**11**

Scenario 1:
Increasing value of underlying.

The Dow Jones increases by 400 points from 11,000 to 11,400, an increase of 3.64%. The value of the Turbo Long increases to EUR 11.20 [(11,400 – 10,000) / (100 x 1.25)], an increase of 40%, equal to 11 times the increase in the index.

Scenario 2:
Stable value of underlying.

The Dow Jones Index remains stable at 11,000 points. As long as the financing level remains at 10,000 points and there are no changes in the exchange rate, the value of the Turbo will remain equal to EUR 8.

The scenarios do not into account transaction costs, financing costs and the difference between the bid and offer price. The examples are based on assumptions and have been included for illustration purposes only. These examples are not representative of future results or returns and no rights can be derived therefrom.

Scenario 3:

Decreasing value of underlying: stop-loss level not hit or breached.

The Dow Jones decreases by 300 points to 10,700, a decrease of 2.73%. The value of the Turbo decreases to EUR 5.60 [(10,700 – 10,000) / (100 x 1.25)], a decrease of 30%, equal to 11 times the decrease in the Index. This implies a loss of EUR 2.40. The stop-loss level has not been hit or breached, so the Turbo remains tradeable.

Scenario 4:

Decreasing value of underlying: stop-loss level hit and salvage value.

The Dow Jones Index decreases by 800 points to 10,200. The Turbo has hit its stop-loss level and is therefore terminated and taken off the exchange. The position in the Turbo is liquidated. The bank sells the position at an average price of 10,150, a decrease of 7.73% vis-à-vis the starting value of the underlying. The salvage value of the Turbo is EUR 1.20 [(10,150 – 10,000) / (100 x 1.25)], a decrease of 85%, equal to 11 times the decrease in the Index. This will result in a loss of EUR 6.80.

Scenario 5:

Decreasing value of underlying: stop-loss level hit and no salvage value.

The Dow Jones Index decreases by 800 points to 10,200. The Turbo has hit its stop-loss level is therefore terminated and taken off the exchange. The position in the Turbo is liquidated. The bank sells the position at an average price of 9,995. This price is lower than the financing level. The investor will therefore not receive a salvage value, resulting in a loss of EUR 8 per Turbo. Any loss higher than the initial investment will be at the expense of ABN AMRO. In this scenario, the bank will incur a loss of EUR 0.04 per Turbo [(9,995 – 10,000) / (100 x 1.25)].

Identifying Turbos.

ABN AMRO Turbos are identified by means of an ISIN code. This code will remain unchanged during the life of the Turbo. In addition, the name of a Turbo indicates on which underlying the Turbo is issued and whether it is a Turbo Long or Turbo Short. The name of a Turbo furthermore incorporates the stop-loss level. For example, a Turbo Long on the AEX with a stop-loss level of 340 is named 'AEX Turbo Long 340'. This is normally abbreviated to 'AEX TL 340' or 'ABN AEX TL 340'. 'ABN' stands for ABN AMRO and 'TL' indicates that it concerns a Turbo Long. Turbo Short is abbreviated to 'TS'. If the stop-loss level is adjusted, the name of the Turbo will also be adjusted. For example, should the stop-loss level of the ABN AEX TL 340 change to 341, the name of the Turbo will be also be changed to ABN AEX TL 341.

Visit www.abnamromarkets.com/turbo and www.abnamro.nl/beleggen/turbo to find the latest bid and offer prices and offer prices of ABN AMRO Turbos. These can also be requested via your personal bank or broker.

Liquidity.

ABN AMRO Turbos are listed on Euronext Amsterdam by NYSE Euronext. Turbos can therefore be traded during exchange hours, from 09:05 to 17:30 Central European Time. Goldman Sachs International (Goldman Sachs) is market maker (liquidity provider) for ABN AMRO Turbos. This means that Goldman Sachs is prepared to provide liquidity for ABN AMRO Turbos by buying and selling Turbos in the market. The price at which the liquidity provider is prepared to buy a Turbo (the price at which the investor sells) is called the 'bid price'. The price at which the liquidity provider is prepared to sell a Turbo (the price at which the investor buys) is called the 'ask price'. The difference between the bid and ask price is called the 'spread'.

When an investor executes a transaction involving a Turbo, the counterparty can also be another investor who at that moment provides a better price than the liquidity provider. In rare circumstances it can occur that the liquidity provider is not in the market. This can happen when trading in the underlying is halted or when there are technical disruptions in the systems of Goldman Sachs, Euronext Amsterdam, or the exchange on which the underlying is traded. We therefore always advise that you place limit orders.

Turbos can furthermore be classified as daily callable investment instruments. This means that ABN AMRO as well as each investor has the right to exercise the ABN AMRO Turbo on (in principle) any business day against the intrinsic value of the Turbo. The intrinsic value is determined on the basis of the closing price of the underlying on the day of exercise. Should an investor wish to exercise his call right against the intrinsic value of that day, the exercise notice should be received by the custodian before 11:00 Central European Time[1]. Any notice forms received by the custodian after 11:00 Central European Time will be executed against the intrinsic value of the following day. The procedures and guidelines with regard to exercising call rights can be found on www.abnamromarkets.com/turbo.

Please refer to the base prospectus, supplements to the base prospectus and final terms for more information on the liquidity and callability of ABN AMRO Turbos. These documents can be found on www.abnamromarkets.com/turbo.

[1] The bank at which the investment account is held is responsible for sending the notice to the custodian.

Risks.

Turbos are considered high-risk investment instruments and are, as such, only suitable for experienced and active investors with a high risk tolerance. Each potential investor must determine the suitability of the product in light of his or her own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a thorough assessment of an investment in Turbos and the impact that this investment will have on his or her overall investment portfolio.

This brochure is for information purposes only and does not constitute an offering or invitation to invest in Turbos. The following paragraphs give an overview of risks related to a Turbo investment. Please read the base prospectus, supplements to the base prospectus and final terms for a complete description of the risks. These documents are available on www.abnamromarkets.com/turbo.

Risk to the valuation of the underlying.
The value of a Turbo can, at any time, be affected by changes in the value of the underlying on which the Turbo is issued. The value of the underlying will likely vary over time. A decrease in the value of the underlying will have a negative impact on the value of the Turbo Long, while an increase in the value of the underlying will have a negative impact on the value of a Turbo Short. Potential investors should also note that whilst the value of the Turbo is linked to the relevant underlying and will be influenced (positively or negatively) by its value, any change in the underlying may not be comparable and may be disproportionate to the change in the value of the Turbo. It is possible, for example, that while the underlying is increasing in value, the value of the Turbo may fall.

Leverage risk.
An investment in Turbos contains a higher risk than a direct investment in an underlying due to the leverage effect. The leverage effect causes the value of the Turbo to fluctuate at a faster rate than the value of the underlying. A higher leverage rate additionally implies that the stop-loss level is set closer to the value of the underlying. The stop-loss level of a Turbo with a high leverage rate can thus be hit or breached sooner than the stop-loss level of a Turbo with a lower leverage rate.

Stop-loss risk.
A Turbo may expire and become worthless if the stop-loss level has been hit or breached. In such cases, investors may suffer a total loss of the capital invested. Investors should be aware that the likelihood that a stop-loss level will be hit or breached is increased by the repeated adjustment of the stop-loss level even if the market price or value of the underlying remains constant. Furthermore, Turbos issued on underlyings that are not traded on Euronext Amsterdam risk reaching the stop-loss level outside the trading hours of the Turbo on Euronext Amsterdam.

Exchange rate risk.

Investors should take into consideration that the value of a Turbo may be influenced by fluctuations in the currency of denomination of the underlying, should this currency be different from that of the Turbo. Depreciation in the currency of denomination of the underlying versus that of the Turbo may have a negative impact on the value of the Turbo.

Interest rate risk.

An investment in Turbos may involve interest rate risk with respect to the currency of denomination of the underlying. A high interest rate environment will lead to higher financing costs for a Turbo Long, which may negatively impact the value of the Turbo Long. On the other hand, a low interest rate environment may lead to financing costs for a Turbo Short instead of financing revenues.

Risk of futures.

Certain Turbos are issued with a future on an underlying as the underlying. As the value of these Turbos depend on the future price, it is recommended that investors understand how futures transactions work and are valued in addition to knowing about the market in the respective futures contract. Investors should also take into consideration the exposure to price differences between futures with different strike dates when future contracts are rolled. If the price of the next futures contract being rolled into is higher than the price of the expiring futures contract (referred to as a contango market), only a correspondingly smaller share in the new futures contract can be purchased with the proceeds of the terminated position. Accordingly, this is disadvantageous for investors in Turbos Long. If the price of the next futures contract being rolled into is lower than the price of the expiring futures contract (referred to as a "backwardation" market), a correspondingly greater share of the new futures contract can be purchased. Accordingly, this is disadvantageous for holders of Turbos Short.

Emerging markets risk.

Some Turbos are issued on an emerging market underlying. Investors should note that the securities markets in emerging market jurisdictions are generally substantially smaller and have always been more volatile and illiquid than the major securities markets in more developed countries.

Liquidity risk.

Liquidity for ABN AMRO Turbos will be maintained by Goldman Sachs during trading hours on Euronext Amsterdam. Investors may be unable to trade in a Turbo in the event of a malfunction in the trading system of Goldman Sachs, Euronext Amsterdam, or the exchange on which the underlying is traded. Such events may have a negative impact on the price of a Turbo. Neither ABN AMRO nor Goldman Sachs shall be liable for any losses that should occur in such situations.

Risk of early termination (callability).

The Issuer is, under certain conditions, allowed to terminate the Turbo prematurely. This situation may occur, for example, when an underlying can no longer traded or hedged. Early termination of a Turbo may also transpire due to regulatory changes. Settlement of an investor's position in the respective Turbo depends on the cause for early termination.

Credit risk.

Investors in ABN AMRO Turbos are exposed to the credit risk of ABN AMRO Bank N.V., the Issuer. This implies that investors may lose their entire investment in whole or in part should the Issuer become insolvent. The most recent credit rating for ABN AMRO Bank N.V. can be found under Investor Relations on www.abnamro.com.

Conflicts of interest relating to the underlying.

During the ordinary course of business, ABN AMRO and Goldman Sachs may trade in underlyings of Turbos, its components and in option or futures contracts related thereto. Both parties may furthermore participate, from time to time, in transactions related to the Turbos in some way for their own account or for the account of a third party. Such activities may have a negative impact on the market price or value of the underlying and consequently upon the value of the Turbo.

Hedge risk.

Using a Turbo to hedge a position may create a hedge risk. A hedge will not, for example, be effective once the stop-loss level has been reached as the Turbo will be unwound. A new Turbo will be needed in order to continue the hedge. Otherwise the position will be fully exposed. A hedge risk may also arise because the value of the Turbo is affected by financing costs and revenues and by the spread between the Turbo bid and ask prices.

Costs.

Financing costs.

Financing costs and financing revenues are settled with the investor on a daily basis by adjusting the financing level with the cost or revenue amount. Financing costs and revenues will not be calculated on intra-day positions.

Financing costs are based on Overnight London Interbank Offered Rate (Overnight LIBOR) of the currency of denomination of the underlying. The LIBOR rate is set daily by the British Bankers' Association. Historic LIBOR rates can be found on www.bbalibor.com.

The indicative financing costs for a Turbo Long are equal to Overnight LIBOR + 2.00%, while the indicative financing costs for a Turbo Short are equal to Overnight LIBOR – 2.00%. In a low interest rate environment, the situation may occur that holders of a Turbo Short will be charged financing costs instead of receiving financing revenues. In addition, for non-European underlyings, the LIBOR rate may significantly differ from the euro LIBOR rate. Investors should also be aware that a different rate than LIBOR may be used in certain circumstances. Due to the characteristics of futures, the financing cost for both Turbos Long and Turbos Short on futures is equal to 2.00%.

Please refer to www.abnamromarkets.com/turbo for the financing costs or revenues for your Turbo.

Spread and transaction costs.

When investing in Turbos, investors should take the spread between the bid and ask price into consideration. The size of the spread is mainly linked to liquidity of the underlying. Depending on the bank or broker, investors may also be charged a transaction fee.

Taxes.

The investor may be required to pay taxes over the Turbo investment that cannot be withheld by ABN AMRO. The fiscal implication of an investment in Turbos depends on the investor's country of origin and personal situation. Please consult a tax advisor for more information on the fiscal implications of a Turbo investment.

More information.

This document was issued on 27 September. The most recent developments regarding Turbos can be found on www.abnamromarkets.com/turbo or via your investment advisor. You are advised to be aware of this information before trading in Turbos. Your investment advisor will be able to give you more information on the characteristics of Turbos and the suitability of this investment product for your existing portfolio. Please refer to the base prospectus, supplements to the base prospectus and final terms for a complete description of characteristics and risks of ABN AMRO Turbos. These documents are available on www.abnamromarkets.com/turbo. On this website you will also find the most recent offering of Turbos, as well as the financing level, stop-loss level and price movement for each Turbo.

The base prospectus and final terms (the 'Prospectus') of the ABN AMRO Turbo* (the 'Turbo') can be obtained from: ABN AMRO Markets (HQ7180), P.O. Box 283, 1000 EA Amsterdam, the Netherlands. Web: www.abnamromarkets.com, email address: info@abnamromarkets.nl. ABN AMRO Bank N.V. ('ABN AMRO') is the Issuer and lead manager of the ABN AMRO Turbo. The offer of the Turbo is strictly based on the Prospectus. Each potential investor must determine the suitability of the product in light of his or her own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of an investment in Turbos and the impact that this investment will have on his or her overall investment portfolio.

The information provided in this document by ABN AMRO is for information purposes only and is not applicable to personal circumstances. Because this information cannot be applied to individual situations, it cannot therefore be considered as advice or an invitation to 1) acquire or deal in financial instruments and/or 2) accept investment services or as investment advice. Decisions based on the information in this document are at your own risk and expense. The general information and conditions applicable to investment instruments and services offered by ABN AMRO can be found in the General Conditions ABN AMRO Bank N.V. that can be obtained via www.abnamro.nl/beleggen.

All information in this document is based on information obtained from ABN AMRO and third parties that are considered a reliable source. Although ABN AMRO aims to present reliable information from third parties, it cannot guarantee the reliability of the information presented and cannot be held liable for misrepresentation of information from third parties. Any information in this document, other than the specific characteristics of the Turbo, may be altered at any time without notice. ABN AMRO is not obligated to correct and change the information in this document at any time.

Without prejudice to the legal responsibility of provision of information, neither ABN AMRO nor any of its agents or partners will accept any form of liability with regard to damages (including lost profit) resulting from, or in connection with, an investment in Turbos as described in this document that results in any way from the information provided to you or the use of such information.

ABN AMRO is not registered as broker-dealer and investment advisor as intended by the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 of the United States of America, nor is ABN AMRO registered according to similar independent State Law in the United States of America. With the exception of a change in aforementioned regulations, the investment services of ABN AMRO, including but not limited to the products and services described in this document and any advertising relating to the products and services described in this document, are not intended for U.S. Persons, as described in the aforementioned regulations. This document and copies of this document may not be taken into or sent to the United States of America and may not be distributed to U.S. Persons. Without prejudice to the preceding, it is not the intention of ABN AMRO to offer the described products and services in this document to persons in countries in which ABN AMRO is restricted by law to do so. Any person who possesses this document should consider whether there are any legal limitations to publication and further distribution of this document or the rendering of the products and services as described in this document. ABN AMRO will be not be liable for damages resulting from the products and/or services that have been described in this document with the respective disclaimer. This document was issued on 27 September 2011.

* The name TURBO® is used in license with the owner of the registered trademark.

ABN·AMRO